

FSC-7-B	1/13/98		
SUBJECT:	Wholesale Partners RJR Promotion Reporting		
DISTRIBUTION:			
X AVP	X KAM	X DM	
X RSM	X AM	X RM	
X RBM	X AE	Sales Rep	
X ROM		Retail Rep	

(Please distribute to any sales representatives with Direct Account responsibilities)

Region Reporting Accountability?

Objective: Emphasize importance of proper MSA promotion reporting

Purpose: Current promotional reporting in many cases is not accurate. It is important that the first and second quarters of 1998 are utilized to troubleshoot and correct reporting discrepancies.

The 1st Half 1998 Wholesale Partners Program is a first step in establishing a truly performance-based incentive program. Going forward, Direct Accounts will be continually re-evaluating the priority of each manufacturer's VAP program based on timing and logistics. We believe this performance-based program will assist RJR in gaining the leverage needed to execute our promotions in a timely and efficient manner.

In addition to timely and efficient promotion execution, correct promotion reporting will allow RJR the opportunity to know where, in what quantities, and in what timeframes our promotions are being shipped. In order to make this happen, however, it is critical that the promotion descriptions are reported properly by our Direct Accounts. Direct Accounts must report promotion descriptions to MSA exactly as described in the Quarterly Promotion Descriptions Tables (see FSC-132B Addendum 11/4/97). 1st Half 1998 is being used to work out any problems or issues accounts are having with proper promotion reporting. Accounts will be required to provide you with their own report for you to determine promotion performance payment manually. In the 2nd Half 1998 Program, account's promotion data reported to MSA will be utilized to determine shipments to retail automatically. If promotion data is not reported properly, the account will be in jeopardy of losing the \$.03 Category III payment.

A "promotion description" file is being provided as a starting point for you to identify promotions not being properly reported. This file resides in:

G:\sales\98plans\Whlpart\1stHalf.

Double-click on your individual sales area file (i.e. MWSA.xls, NESA.xls, SSA.xls, WSA.xls). Each sales area file contains a tab for each region that lists accounts reporting of RJR promotions to MSA in November, 1997. Single-click appropriate region tab. The file lists all reporting of promotion descriptions by all Direct Accounts with the following exceptions:

- Accounts not having promotion activity to report, or
- Accounts that have reported promotion activity, but failed to use a brand style in the promotion description. (EXAMPLE: B2G2F Promo will not show as any activity.)

You should review these files and have any necessary conversations with our Direct Accounts that are not correctly reporting promotions ASAP. A file will also be sent out to you shortly reflecting promotion reporting for the 1st week in January 1998 as a comparison.

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It is our expectation that KAM's, AM's or other RJR personnel calling on Direct Accounts are responsible for ensuring accounts are doing the following:

- Reporting promotions correctly.
- Getting the promotions to the designated retail stores.
- Ensuring the promotions are shipped to the designated retail stores in the right timeframe.
- Ensuring the right quantity of promotions are shipped to the designated retail stores (ensure that no dumping to selected retail stores occurs).

This means notifying Direct Account personnel of the importance of correct promotional reporting, following up with accounts to ensure accurate follow-through and working with the appropriate Direct Account personnel to problem solve issues and maximize promotion penetration.

Should you or your accounts have questions on proper promotion reporting, please contact the Partners Help Desk at 1-800-230-9372. If you have any questions regarding the attached file, please contact Julie Knabb at extension #7754.

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